

292.336 Recordkeeping and reporting requirements -- Examination by commissioner -- Administrative regulations -- Central depository system for documents.

- (1)
 - (a) Every registered broker-dealer, firm employing issuer agents, and investment adviser shall make and keep all accounts, correspondence, memoranda, papers, books, and other records which the commissioner by rule or order prescribes.
 - (b) All records required shall be preserved for three (3) years unless the commissioner by administrative regulation or order prescribes otherwise for particular types of records. All required records shall be kept within this state or shall, at the request of the commissioner, be made available at any time for examination by him or her either in the principal office of the registrant or by production of exact copies thereof in this state.
 - (c) If a broker-dealer is registered with the United States Securities and Exchange Commission, then the books and records required by this section are limited to those that the Securities Exchange Act of 1934, 15 U.S.C. secs. 78a et seq., requires the broker-dealer to maintain.
 - (d) If an investment adviser has his or her principal place of business in another state, then the requirements of this section shall be limited to the books and records requirements of that state, if the adviser is registered in that state and is in compliance with its recordkeeping requirements.
- (2)
 - (a) Every registered broker-dealer, investment adviser, and firm employing issuer agents shall file such reports as required by administrative regulation or order under this chapter.
 - (b) If a broker-dealer is registered with the United States Securities and Exchange Commission, then the reports required by this section are limited to those required under the Securities Exchange Act of 1934, 15 U.S.C. secs. 78a et seq.
 - (c) If an investment adviser has his or her principal place of business in another state, then the requirements of this section shall be limited to the reporting requirements of that state, if the adviser is registered in that state and in compliance with its reporting requirements.
- (3) If the information contained in any document filed is or becomes inaccurate or incomplete in any material respect, then the broker-dealer, investment adviser, or firm employing issuer agents, as applicable, shall promptly file a correcting amendment. In the case of a covered adviser, the adviser shall file only copies of those documents required to be filed with the Securities and Exchange Commission.
- (4)
 - (a) The commissioner may conduct examinations, within or outside this state, of each broker-dealer, issuer agent, or investment adviser at such times and in such scope as he or she determines.
 - (b) Examinations of each broker-dealer, issuer agent, or investment adviser, may be made without prior notice to the broker-dealer, issuer agent, or investment adviser. The expense reasonably attributable to any such examination shall be

paid by the broker-dealer, issuer agent, or investment adviser whose business is examined, but the expense so payable shall not exceed an amount which the commissioner by administrative regulation prescribes.

- (c) For the purpose of avoiding unnecessary duplication of examinations, the commissioner, insofar as he or she deems it practicable in administering this subsection, may cooperate with securities administrators of other states, the Securities and Exchange Commission, and any national securities exchange or national securities association registered under the Securities Exchange Act of 1934, 15 U.S.C. secs. 78a et seq.
- (5) The commissioner may by administrative regulation prohibit unreasonable charges, profits, commissions, or other compensation of broker-dealers and investment advisers.
- (6) The commissioner may promulgate administrative regulations to prescribe rules for the conduct of business by broker-dealers and investment advisers which he or she finds appropriate in the public interest and for the protection of investors.
- (7) The commissioner may enter into an arrangement, agreement, or other working relationship with federal, other state, and self-regulatory authorities whereby documents may be filed and maintained in a central depository system with the Financial Industry Regulatory Authority (FINRA) or other agencies or authorities.

Effective: July 15, 2010

History: Created 2010 Ky. Acts ch. 82, sec. 8, effective July 15, 2010.

Legislative Research Commission Note (7/15/2010). References to the "executive director" of financial institutions in this section, as created by 2010 Ky. Acts ch. 82, sec. 8, have been changed in codification to the "commissioner" of financial institutions to reflect the reorganization of certain parts of the Executive Branch, as set forth in Executive Orders 2009-535 and 2009-1086 and confirmed by the General Assembly in 2010 Ky. Acts ch. 24. These changes were made by the Reviser of Statutes pursuant to 2010 Ky. Acts ch. 24, sec. 1938.